

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF NEW MEXICO

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CLERK OF COURT

STATE OF NEW MEXICO on the
relation of State Engineer,

Plaintiff,

v.

RAMON ARAGON, et al.,

Defendants.

69cv07941-BB-ACE

RIO CHAMA STREAM SYSTEM

Sections 3, 5, and 7

AFFIDAVIT OF DAVID E. ARCHULETA

STATE OF NEW MEXICO)

) ss.

COUNTY OF SANTA FE)

Affiant, David E. Archuleta, first being duly sworn upon oath, states:

1. I am a Defendant in this action, and I am competent to make this affidavit.
2. Until recently, my wife, Lydia U. Archuleta, and I had employed Alfonso Sanchez as our attorney in this action.
3. Between my wife and I, I have been the person in charge of directing, through Mr. Sanchez, the litigation regarding our claims to water rights involved in this action.
4. Recently, I became aware, following the State of New Mexico's Motion to Enforce Settlement Agreement, that my wife and I had apparently agreed to a drastic reduction of our claimed water rights.
5. My understanding of the Motion to Enforce Settlement Agreement is that Mr. Sanchez evidently communicated with counsel for the State of New Mexico, Edward G. Newville and joined in a Motion to Stay Litigation Proceedings and allow the expedited determination of stock watering rights for stock watering ponds on our land only. I was aware of settlement efforts and discussion between Mr. Sanchez and Mr. Newville, but I was not aware that settlement would be limited to stock watering only.

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6. After reading the proposed Consent Order attached as Exhibit B to the State of New Mexico's Motion to Enforce Settlement Agreement, I asked Mr. Sanchez if he had agreed to the proposed Consent Order calling for only 1.1 acres and limited to Livestock Watering.

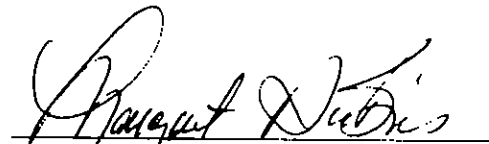
7. In response to my inquiry of Mr. Sanchez, Mr. Sanchez informed me that it was his understanding that the litigation would be stayed to try to resolve, after survey of our land by the State Engineer's office, all of our claims, and not limited to the watering ponds. Had I understood that the reasons for staying litigation would be limited to the watering ponds only, I would not, under any circumstances, have agreed to attempt to settle.

8. After considering the impact of the Motion to Enforce Settlement Agreement and the reasons given by the State of New Mexico for filing the motion and based upon Mr. Sanchez' factual disagreement with the motion, I have sought the assistance of other counsel because I believe that Mr. Sanchez' testimony is necessary concerning our perceived agreement to settle.

Further Affiant sayeth naught.


DAVID E. ARCHULETA

SUBSCRIBED AND SWORN TO before me this 25th day of October, 2004, by
David E. Archuleta.


Notary Public

My Commission Expires:

December 9, 2006